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DEPARTMENT OF STATE

The Director of Intelligence and Research

November 6, 1962

MEMORANDUM FOR: The Secretary

FROM: INR - Roger Hillsman

SUBJECT: Limited Chinese Communist Presence in Cuba

In view of the militancy of Chinese Communist support for the Cuban position and Castro's "five demands", we have reviewed the actual Chinese Communist presence in Cuba and find that it is quite limited.

In 1960 the Chinese Communists agreed to extend the equivalent of US\$60 million in credit to Cuba for the construction and equipping of 24 factories including various automotive parts plants, a chemical complex, and several light industrial factories. Although a recent visitor to Havana reported that the Chinese were building at least two factories for the Cubans, no surveys for the agreed projects are known to have been made, no implementing agreements have been made public, and there are no corroborating reports that any construction has begun.

There are no reliable estimates of the number of Chinese Communists in Cuba but the figure is almost certainly relatively small in comparison to the Soviets. While there have been numerous reports of large numbers of Chinese technicians and advisors, few of these appear to be valid. A handful of Chinese agricultural aides (possibly 50) have been in Cuba since 1961 and there may have been a few Chinese advisors or observers interested in Cuban counter-insurgency operations. Since early 1961 Cubans of Chinese extraction -- a group numbering roughly 30,000 -- have reportedly been regularly inducted into the Cuban army and militia. Their presence in militia and military units combined with the presence of Central Asian Soviets could account for continuing reports of Chinese soldiers in the Cuban armed forces. (Over 15,000 overseas Chinese are believed to be residents in Havana with smaller but still sizeable communities scattered widely in other towns.) There have been low-level reports that a few Cuban military personnel have gone to Communist China for training, but there has never been any corroboration of these.

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Cultural exchanges have resulted in Chinese scientists, administrators, and production engineers giving lectures or other quasi-technical assistance to Cuba but these too have been in limited numbers. The Chinese, however, have sent large quantities of propaganda and ideological materials to Cuba.

The largest known contingents of Chinese Communists in Cuba are those connected with Peiping's diplomatic mission (about 50) in Havana and the office of the New China News Agency (14). Both establishments have been reliably reported to have continent-wide responsibilities for the dissemination of Chinese Communist propaganda and the carrying out of intelligence operations for the Peiping regime in Latin America. There have been no visits by high-ranking Cubans to Peiping since late in 1961 and no Chinese Communist leaders have ever visited Cuba, although Liu Shao-ch'i accepted an open-dated invitation from Cuban President Dorticos in 1961. One recent report suggests that the Soviets have in the past placed pressure on the Cubans to limit their contacts with the Chinese mainly to commercial dealings.

Trade between Cuba and Communist China amounted to US\$178 million in 1961 with a US\$12 million balance in Cuba's favor on trade account. China was Cuba's most important trading partner after the USSR (USSR-Cuban trade amounted to about US\$525 million in 1961). Cuban exports to Communist China were almost entirely composed of sugar for which Peiping paid the premium price of 4 cents a pound (roughly 1-1/2 cents above the market price). Cuban imports from China have consisted of textiles, modest amounts of other consumer goods (virtually the only luxury items imported into Cuba) and some machinery and trucks. The chief Cuban import from China, however, is rice, some 120,000 tons of which were imported in 1961. Trade in 1962 appears to be running at about this same level and to be following the same pattern.

There is no evidence Communist China has delivered any military equipment to Cuba other than small amounts of light arms and ammunition.

China has furnished no shipping to Cuba. Exports of both countries have been carried on free world vessels, generally chartered by Peiping.